

In the Matter of the Nebraska Public ) Application No. NUSF-26  
Service Commission, on its own )  
motion, seeking to establish a long ) Progression Order No. 4  
term universal service funding )  
mechanism )

### **Reply Comments of**

#### **Citizens Telecommunications Company of Nebraska, d/b/a Frontier Communications of Nebraska**

Citizens Telecommunications Company of Nebraska, d/b/a Frontier Communications of Nebraska (“Frontier”) appreciates the opportunity to respond to comments filed regarding Progression Order #4, Application No. NUSF-26. This Order, issued by the Nebraska Public Service Commission (“Commission”) on January 7, 2003 (“January 7<sup>th</sup> Order”), sought input into the development of the long-term universal service funding mechanism. Interested parties filed initial comments on March 10, 2003 in response to the January 7<sup>th</sup> Order.

In this filing, Frontier will reply to comments of The Rural Independent Companies regarding: 1) out-of-town density allocations and 2) network quality adjustments.

#### **Out-Of-Town Density Allocations**

Frontier made recommendations in its March 10 comments regarding ways to correct the disproportionate allocation of out-of-town households. Frontier had recommended that a “household cap” of 1 household per .94 access lines be employed to recalibrate the initial household counts for rural areas. After reviewing comments made to the January 7<sup>th</sup> Order from The Rural Independent

Companies, Frontier agrees that their recommendation for use of geocoded census data to determine densities in out-of-town support areas would provide far superior accuracy over both the currently proposed assumption that out-of-town access lines are evenly distributed and Frontier's formerly suggested cap adjustment.

### **Network Quality Adjustments**

In its initial comments Frontier responded to the Commission's request for comment on whether adjustments should be made to funding levels to reflect differences in network quality. Frontier, perhaps incorrectly, understood the question to be whether adjustments should be made to reflect differences in quality measures such as "age of facilities, physical state of deterioration, or other similar, subjective measures of network quality" as opposed to differences in "services that could be supported by the network". Whereas, evaluation of network quality based on the former definition of network quality would require unreliable, subjective judgment of multiple network components of varying technologies, and vintages; an adjustment based on supported services would be a much more objective measurement. For the reasons presented by The Rural Independent Companies, Frontier concurs that adjustments based on supported services are both practical and appropriate.

Respectfully submitted this 8th day of May, 2003.

A handwritten signature in cursive script that reads "Kevin Saville".

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